



Department of Defense



***National Security
Personnel System***

Department of Defense
National Security Personnel System
Town Hall Brief

August 2006

Why NSPS?

- Advance DoD's critical national security mission
- Respond swiftly and decisively to national security threats and other missions
- Accelerate DoD's efforts to create a Total Force
- Retain and attract talented and motivated employees committed to excellence
- Compensate and reward employees based on performance and mission contribution
- Expand DoD's ability to hire more quickly and offer competitive salaries

DoD's Flexible and Responsive Civilian Personnel System

- **Performance management system that:**
 - Values performance and contribution
 - Encourages communication
 - Supports broader skill development
 - Promotes excellence
- **Streamlined, more responsive hiring process**
- **Flexibility in assigning work**
- **Preservation of employee benefits, rights, and protections**
- **Preservation of rights to join a union**
- **Tools for a more effective and efficient workforce**

■ The Core

- Align work with mission and/or organizational goals
- Communicate and understand how employee contributions tie to mission and organizational goals
- Acknowledge and reward performance
- Distinguish levels of performance so that those who are contributing are rewarded appropriately

■ The Keys

- Relationships are clear and transparent
- Responsibility is understood and accepted
- Results are demonstrated and measurable

■ The Experience – over 25 years of DoD

- Communication and training are critical
- Evaluation assures accountability
- Transformational change must happen at every level

- Put mission first – support National Security goals and strategic objectives;
- Respect the individual – protect rights guaranteed by law;
- Value talent, performance, leadership and commitment to public service;
- Be flexible, understandable, credible, responsive, and executable;
- Ensure accountability at all levels;
- Balance HR interoperability with unique mission requirements; and
- Be competitive and cost effective.

- **Feb 27, 2006, District Court concluded that:**
 - DoD and OPM satisfied their statutory obligation to collaborate in developing the system
 - DoD lawfully had the authority to depart from Chapter 71 in establishing a new labor relations system
 - New rule fails to ensure that employees can bargain collectively
 - National Security Labor Relations Board does not meet Congress' requirement for "independent third party review" of labor relations decisions
 - Process for appealing adverse actions fails to provide employees with "fair treatment" as required by Congress
- **District Court permanently enjoined adverse actions, appeals, and labor relations**
- **Department of Justice filed Notice of Appeal on April 17th**

- **Merit System Principles**
- **Veterans' Preference Principles**
- **Whistleblower protections**
- **Rules against prohibited personnel practices**
- **Anti-discrimination laws**
- **Fundamental due process**
- **Benefit laws on retirement, health, life, etc.**
- **Allowances and travel/subsistence expenses**
- **Training**



Key Events and Activities

2003

- NSPS authorized by National Defense Authorization Act

2004

- Working groups developed human resources, labor relations, and appeals options
- Conducted Focus Groups and Town Halls worldwide
- Met with labor organizations on design input

2005

- Published proposed and final NSPS Regulations
- Considered 58K comments received during public comment period
- Held meet and confer sessions and continued collaboration with unions
- Testified before Congress
- Conducted Train-the-Trainer sessions

2006

- Simplified performance management
- Implementing issuance modifications and continuing collaboration
- Training employees and supervisors
- Implemented Spiral 1.1
- Announced Spiral 1.2 organizations

- **Recognizes and rewards employees based on personal contributions to mission**
- **Opens communication between supervisors and employees: all know expectations**
- **Encourages employees to take ownership of their performance and success**
- **Promotes broader skill development and advancement opportunities in pay bands**



Conversion to NSPS

- **Employees will not lose pay upon conversion**
- **Conversion based on current position of record**
- **Employees eligible for a within-grade increase (WGI) will receive a pro-rated increase in salary**
- **Vast majority of DoD employees eligible for coverage**
 - **Initially applies to selected GS/GM and Acquisition Demo employees**
 - **Employees in special pay/classification systems (e.g., wage grade) phased in later**
 - **Certain categories excluded (e.g. intelligence personnel, Defense Labs listed in NSPS law)**

- **Classification**
 - Jobs in broad “pay bands” based on work nature and competencies
- **Compensation**
 - Pay directly linked to performance and mission accomplishment
- **Performance Management**
 - Linked to agency mission
 - Job objectives and contributing factors influence rating
 - Meaningful distinctions in employee performance
 - Employee development with ongoing feedback and dialogue
- **Staffing**
 - Flexibility to respond to mission changes
 - The right person, in right place, at the right time
- **Workforce Shaping**
 - Emphasis on performance
- **Adverse Actions and Appeals / Labor Relations System**
 - Enjoined



Classification Terminology

Currently, there are:

Four NSPS career groups.

Career Group

A large, dark blue arrow pointing downwards, indicating a hierarchical relationship from Career Group to Pay Schedule.

Nine possible pay schedules within those groups.

Pay Schedule

A large, dark blue arrow pointing downwards, indicating a hierarchical relationship from Pay Schedule to Pay Band.

One to four pay bands under each pay schedule.

Pay Band

A large, dark blue arrow pointing downwards, indicating a hierarchical relationship from Pay Band to the final level.

■ Simple – Flexible

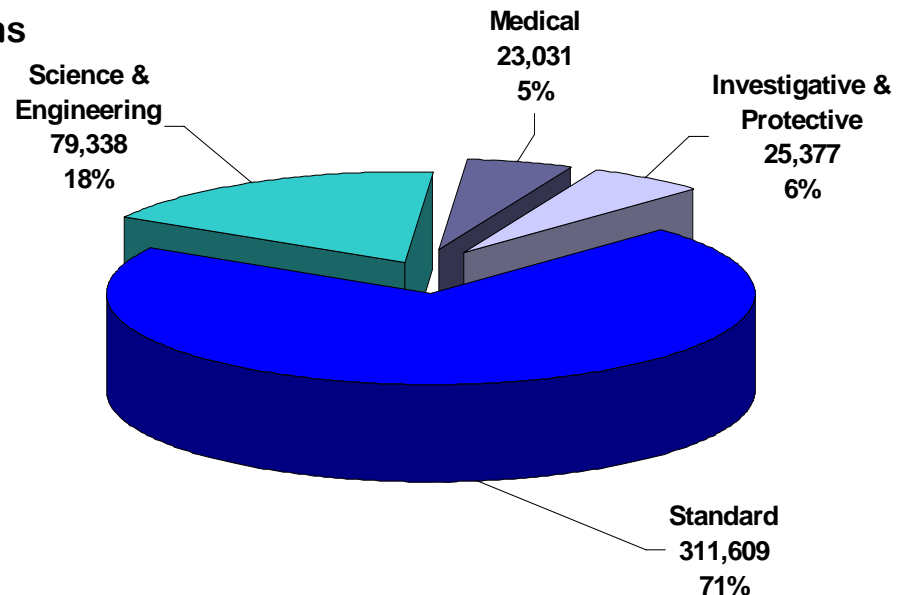
- Based on natural career groups, typical career progression and compensation
- Sunset special salary rates

■ Career Groups

- Establish new groups as needed
- Combine current groups if differences become unimportant
- Add, combine, eliminate, and/or move occupations

■ Pay Schedules and Bands

- Stratify occupations within career groups
- Reflect distinctions in occupations
 - ✓ Types of work
 - ✓ Education requirements
 - ✓ Career progression
 - ✓ Pay practices

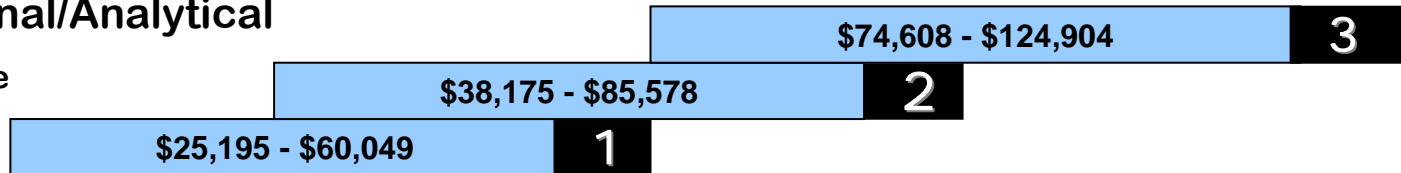




Standard Career Group

Professional/Analytical

Pay Schedule

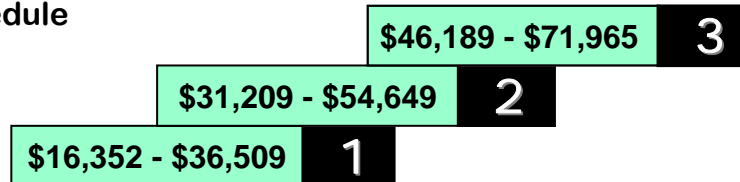


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

Pay Schedule

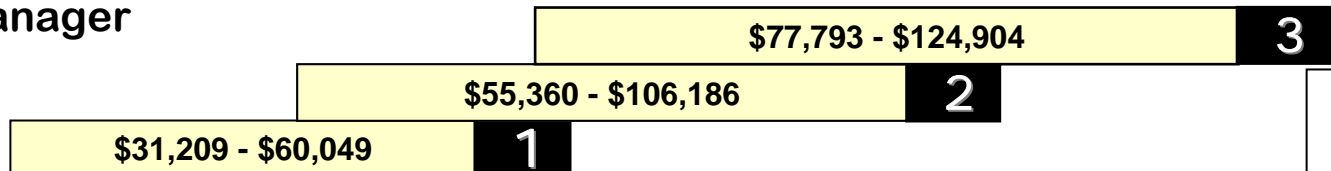


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Student

Pay Schedule



Plus
Local
Market
Supplement

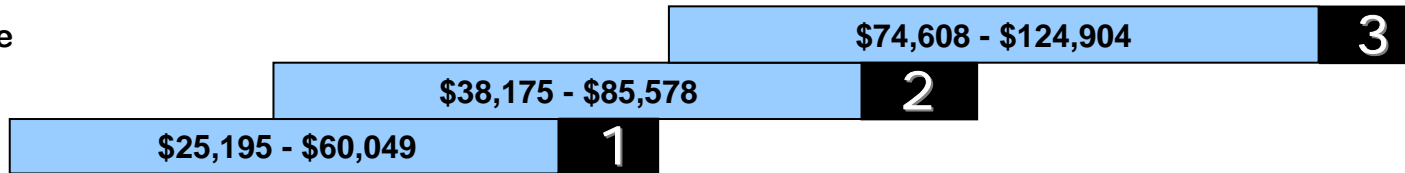
\$15,000 35,000 55,000 75,000 95,000 115,000 135,000



Scientific & Engineering Career Group

Professional

Pay Schedule

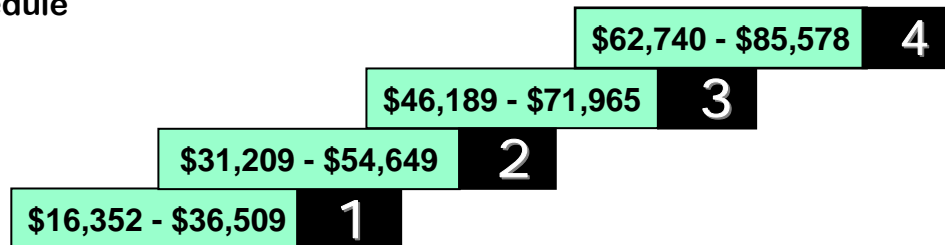


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

Pay Schedule

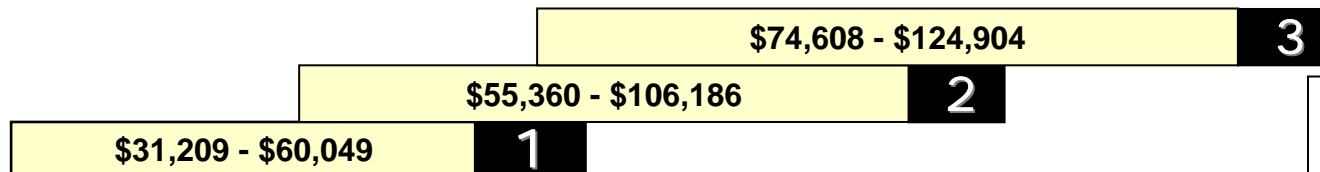


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000



Medical Career Group

Physician/Dentist

Pay Schedule

\$110,000 - \$225,000

3

\$85,000 - \$175,000

2

Plus
Local
Market
Supplement

\$25,000

60,000

95,000

130,000

165,000

200,000

225,000

Professional

Pay Schedule

\$74,608 - \$124,904

3

\$38,175 - \$101,130

2

Plus
Local
Market
Supplement

\$25,195 - \$60,049

1

\$15,000

35,000

55,000

75,000

95,000

115,000

135,000

Technician/Support

Pay Schedule

\$46,189 - \$71,965

3

\$31,209 - \$54,649

2

\$16,352 - \$36,509

1

Plus
Local
Market
Supplement

\$15,000

35,000

55,000

75,000

95,000

115,000

135,000

Supervisor/Manager

Pay Schedule

\$100,000 - \$200,000

4

\$77,793 - \$124,904

3

\$55,360 - \$106,186

2

\$31,209 - \$60,049

1

Plus
Local
Market
Supplement

\$25,000

60,000

95,000

130,000

165,000

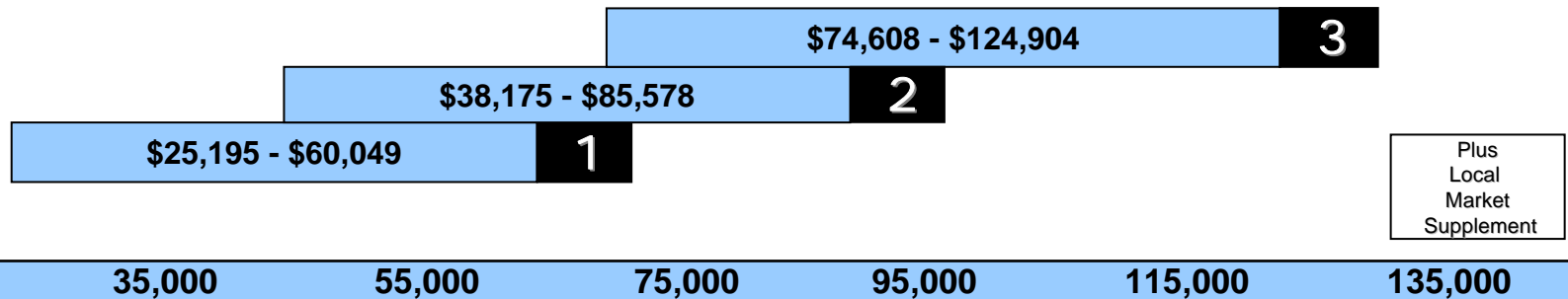
200,000

225,000



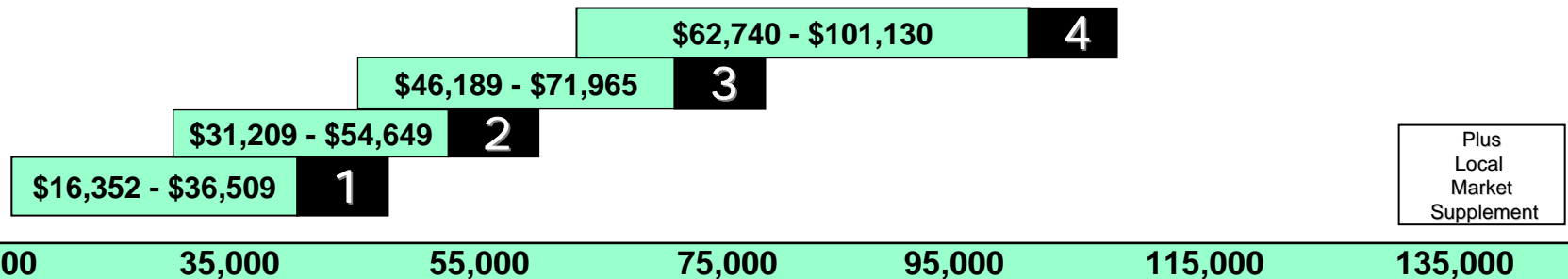
Investigative

Pay Schedule



Fire Protection

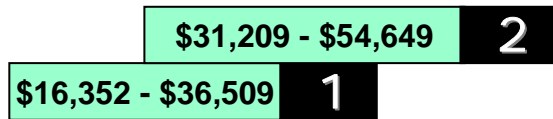
Pay Schedule





Police/Security Guard

Pay Schedule

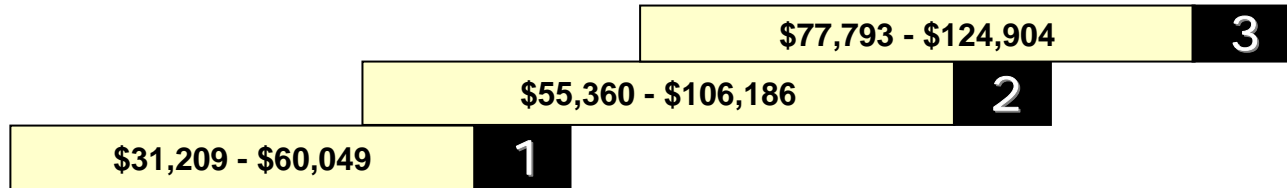


Plus
Local
Market
Supplement

\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

Supervisor/Manager

Pay Schedule

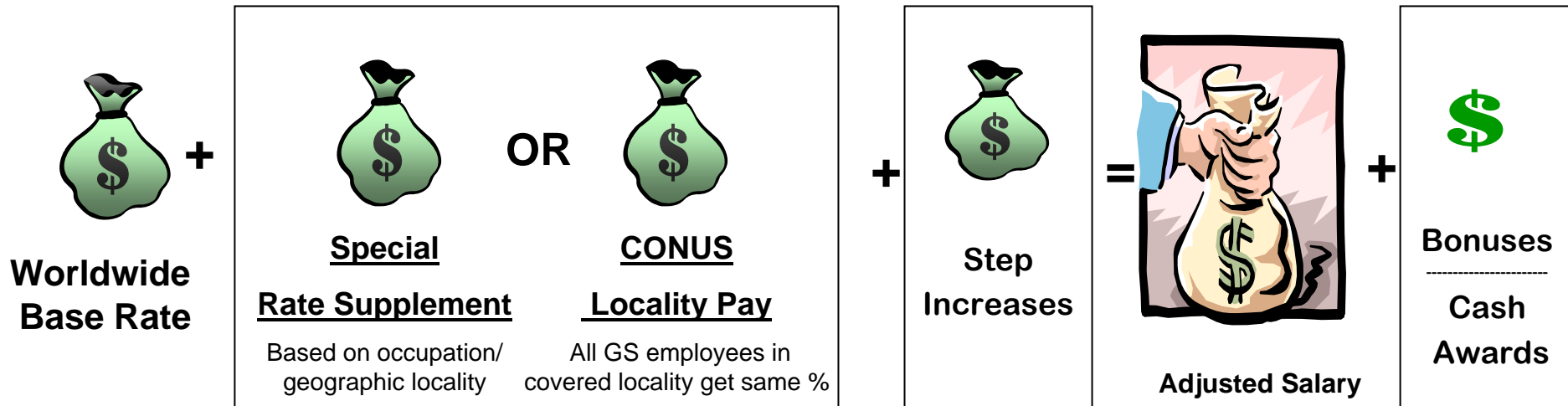


Plus
Local
Market
Supplement

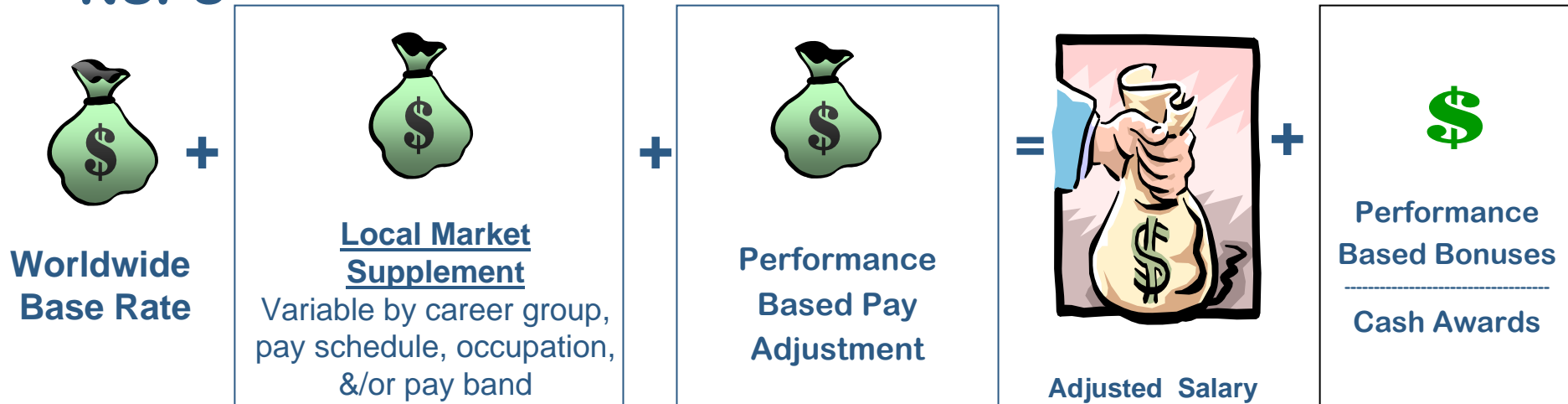
\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
----------	--------	--------	--------	--------	---------	---------

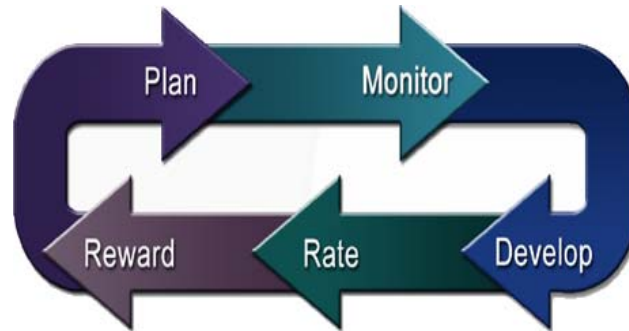
- **Performance-based – market-sensitive**
 - Allows adjustments to market – be competitive
 - Salary increases tie to performance – not time on the job
 - Largely sunset special rate supplements
- **Move to market-sensitive pay over time**
- **Adjust career group, pay schedule, occupation, pay band, and/or local market supplement pay *differently* than rest of government by exception for now**
 - Establish analysis capacity

General Schedule



NSPS





- Results-oriented, mission-focused
- Clear and understandable (fair, credible, and transparent)
- Direct link between pay, performance and mission accomplishment
- Reflect meaningful distinctions in employee performance
- Robust (capable of supporting pay decisions)
- Job objectives – the “What” – primary focus
- Manner of performance – the “How” – contributing factors that influence the objective rating
- Supervisors are rated on at least one supervisory objective
- Monitor and develop employees
- Rate and reward performance

- Provides mechanism for ensuring multi-level accountability and responsibility
- Ensures decisions regarding compensation and rewards receive higher level review
- Provides transparency
- Validates decisions made at the individual level within the context of organization and mission
- Preserves the integrity of the performance management system

■ Staffing

- Right person –right place – right time
 - ✓ Develop capabilities to meet tomorrow's threats
- Appointing authority for DoD
- Easily hire for critical needs
- Pay flexibility
 - ✓ Obtain and keep talent for mission needs
 - ✓ Be competitive

■ Work Force Shaping

- Streamlined, mission responsive
- Performance based
- Less disruptive to employees and mission

■ Honor Veterans' Preference



Available Learning Materials

■ Web-based

- NSPS 101 With Conversion Calculator
- HR Elements for Managers, Supervisors, and Employees - a Guide for NSPS for Spiral 1.1 Employees
- NSPS Fundamentals
- Brochures
 - ✓ Communicating with Your Staff
 - ✓ Role of the HR Practitioner
 - ✓ Communicating with Your Supervisor
 - ✓ Helping Organizations Thrive Under NSPS
 - ✓ Focus on Performance for Managers
 - ✓ Focus on Performance for Employees
 - ✓ Pay Pool Process at a Glance

■ Hand-outs

- NSPS: A Roadmap for Leading Change
- 7 Ways for Supervisors to Get Ready for NSPS
- 6 Ways for Employees to Get Ready for NSPS

■ Video

- **Started April 2006 – about 11,000 employees, 12 organizations**
- **Over 2500 trainers trained**
- **Successful conversion routine and payroll interface**
- **Pay pool management course deployed**
- **Conducting mock payouts**
- **Rating cycle through October 2006**
- **Performance payouts in January 2007**
- **Employees with a performance rating above unacceptable will receive the equivalent of the January 2007 pay increase received by General Schedule employees**

- **Conversion window October 2006 to January 2007**
- **Organizations announced by DoD**
- **66,000+ employees**
- **Rating cycle through September 30, 2007**
- **Performance payouts in January 2008**

- **Design and implement NSPS for other populations**
- **Continue spiral approach**
 - **Train**
 - ✓ **NSPS Basics**
 - Human Resources Elements
 - Performance Management
 - ✓ **Pay pool managers**
 - 665 trained July- August 2006
 - **Communicate**
 - ✓ **Make communication a priority - be inclusive**
 - ✓ **Open and frank discussions are critical to the process**
 - ✓ **Let people talk about how the change affects them**
 - ✓ **Calibrate expectations**
- **Evaluate program**
 - **Short term: system adjustments, course corrections, best practices to share**
 - **Long term: continuous improvement**

- **Make communication a priority**
 - Be inclusive - Listen hard and often
 - Listen to top and bottom
- **Let people talk about how the change affects them**
 - Speak honestly and without fear of retribution
- **This change hits people in their pocket**
 - Understand it is going to stir up emotions
- **Communicate and train your way to good results**
 - Expect it to hurt sometimes
 - Calibrate expectations – “Valued Performer” is a good thing
- **Open and frank discussions are critical to the process**

“It’s critical that we take care of our most important asset – our people.”

Honorable Gordon R. England
NSPS Senior Executive

- **A modern, flexible, and agile human resources system**
 - Responsive to the national security environment
 - Preserves employee protections and benefits

- **Stimulates an environment where employees are encouraged to excel, challenged with meaningful work, and recognized for contributions**
 - Transitions to a culture where feedback and coaching is essential
 - Encourages employees to take ownership of their performance and successes

“NSPS is a win-win-win system... a win for our employees, a win for our military and a win for our Nation.”

Honorable Gordon R. England
NSPS Senior Executive

QUESTIONS?

www.cpms.osd.mil/nsps